

**Charity Registration No. 310952 (England and Wales)**

**Charity Registration No. SC038722 (Scotland)**



**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Patron</b>	Her Majesty the Queen (Until 8 September 2022)
<b>Honorary Vice Presidents</b>	Air Vice Marshal R Paterson CB, OBE, ADC, DL
<b>Vice Presidents</b>	Lt Col A Middlemiss DL (retired April 2022) Lt Col H. Cowan (retired April 2022) Lt Gen Sir Alistair Irwin KCB CBE (retired April 2022) Mr I C Stewart Hunter Mr D Keith Robertson Mr M Noble (appointed December 2022)
<b>Chairman</b>	Ms S Wilson (appointed December 2022 and relinquished role September 2023) Mrs C Sutherland Hawes (appointed co-Chair September 2023) Mr G Gray (appointed co-Chair September 2023)
<b>Deputy Chairman</b>	Mr C Cook (relinquished role September 2022) Ms I Campbell-Lupton (appointed December 2022)
<b>Committee Of Directors And Sole Trustees</b>	Mr M Noble (Resigned December 2022) Mr G Gray Mr N McLennan Ms S Wilson Mr C Cook Ms I Campbell Lupton Ms C Grant Mrs C Sutherland-Hawes Mrs L Hadley-Stove (Resigned December 2022) Mr C Middleton (Resigned March 2023) Mr M Young Ms K Lindsay
<b>Chief Executive</b>	Mrs Laura Falconer
<b>Charity number (England and Wales)</b>	310952
<b>Charity number (Scotland)</b>	SC038722
<b>Principal address</b>	The Melting Pot 15 Calton Road Edinburgh Scotland EH8 8DL
<b>Auditor</b>	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL

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**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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**Bankers**

Royal Bank of Scotland  
142/144 Princes Street  
Edinburgh  
EH2 4EQ

**Investment advisors**

Adam & Company  
25 St Andrews Square  
Edinburgh  
EH2 1AF

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# **THE ROYAL CALEDONIAN EDUCATION TRUST**

## **OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**

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**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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The committee of directors and sole trustees present their report and accounts for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

**Objectives and Activities**

The Royal Caledonian Education Trust (RCET) is a charity established by a Charter of Incorporation created by an Act of Parliament, which received the Royal Assent from King George III on 14th June 1815.

Our aim today is to support and encourage the education, training and wellbeing of a) the offspring of Scottish members of Her Majesty's forces and b) the Scottish offspring of members of Her Majesty's Forces. For these purposes, a person shall be considered Scottish if our Trustees, in their absolute discretion, determine that they have a sufficient connection to Scotland, or who demonstrate to the Trustees' satisfaction links with Scotland, including those who may be considered Scottish regardless of their place of residence.

The Board of Trustees had, on 3rd March 2021, agreed to commission a re-branding exercise, involving the appointment of a creative agency to co-produce a new brand identity. The process involved extensive consultation with Trust staff, Armed Forces children and young people, and stakeholders.

On 23rd June 2021, the Board of Trustees adopted re-branding proposals covering vision, mission, strategic aims, visual identity and a change of our Operational Name to 'Forces Children Scotland'.

Our vision is to make Scotland a place where all Armed Forces children and young people can thrive.

Our mission is to be the sector leading children and young people's Armed Forces charity in Scotland, by providing empowering opportunities and amplifying their voices to inspire change.

Our values:

- We are passionate, as children from Armed Forces families are too often overlooked.
- We are trusted, not only because we have over two centuries of experience but because we continue to evolve our approach, based on children and young people's unique experiences and evidence-based research.
- We are collaborative, whether that be with partners, staff or our children and young people, because only by working together will we deliver meaningful change.
- We are honest, promising to Armed Forces children, young people and their families that we will always act with integrity when supporting them.

Our strategic aims:

- To support and empower children and young people from Armed Forces families to reach their potential and thrive.
- We achieve this by working collaboratively across sectors to drive improvements which reflect and support the unique challenges they face.
- We amplify their voices, ensuring they are heard and influence the development of policy and practice.

We realise our objectives as follows:

- We deliver services that support children and young people including, for example, supporting mental health and wellbeing.
- We give financial support.
- We provide advice and support to those agencies responsible for the education and wellbeing of Armed Forces Children and young people through a programme of training, resources, research and access to our advisory service.
- We create opportunities for children and young people to get involved, participate and be heard.
- We build partnerships to help influence big change.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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**Public Benefit**

The Board of Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when planning, implementing and reviewing all current and future activities. They follow the updated governing principles adopted on 5th December 2018. This defines our charitable purpose and how it benefits Armed Forces children and young people.

**Achievements and Performance**

Our report details significant developments over the year 2022/23. The operational name, FORCES CHILDREN SCOTLAND, sets out what we do and where we are located: supporting children from military families from a base in Scotland. We are also working on changes on how we present the charity and its services.

**Finance Assistance**

There has been an increasing demand on the financial assistance programme this year as the cost-of-living crisis pushed families, who were already struggling to make ends meet, into financial crisis. Increasingly the ask is for financial support to help meet the very basic necessities to be able to feed and clothe children as everyday costs rise. Just as families across the country are making difficult decisions about where they allocate their money we must also make equally difficult decisions to support those who are most in need. We have also provided better signposting and financial education programmes for our Children and Young People (CYP) and their families to maximise the support they receive.

Our student programme has been extremely successful this year and we are currently supporting 42 students across a wide range of disciplines. This is higher than previous years and appears to be a combination of a return to physical learning, the impact of the cost-of-living crisis and a very successful marketing campaign which raised awareness of the fund. Unfortunately, we have had to make the decision to turn down a number of families on higher incomes to allow us to support those most in need and the criteria for applicants will be reviewed ahead of the 23/24 intake.

We have been able to continue our very popular Young Carers grants through funding from the Scottish Veterans Fund. CYP have continued to make imaginative requests for funding to attend a wide range of activities.

As part of the offer to our students we have been able to give those moving away from home Noah vouchers – this is a home start up kit worth £250 for them to purchase bedding, kitchen equipment and home goods and gives them some ownership of their transition to leaving home. We have also supported a YP who requested a grant for work clothes as they started a modern apprenticeship, and one received support with sporting equipment as they moved to Portugal on a football scholarship.

We provided several breaks to families through the year working with our partners at Edinburgh travel. Families have travelled across the UK from London to Inverness.

We gifted a total of £3,095 to seven SSAFA branches to spend amongst families in their area most in need at Christmas 2022. These funds, as always, were gratefully received and put to very good use supporting families during the holiday period. This money was put towards the distribution of hampers containing food and essential items as well as some festive treats. One branch also matched our funding allowing us to reach even more families facing hardship and another provided a Christmas tree to a family who had just been allocated accommodation following a period of homelessness.

**In 2023/24 we will:**

- Deliver the new Future Transactions service, partnering with MyBNK to support CYP and their families with navigating finances and ensuring support is available to them through development of a series of face to face and digital resources
- Work with similarly focused charities to influence the sector in relation to grant giving and financial needs of AFCYP and families
- Develop new partnerships contributing to early intervention for families to avoid crisis

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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**Children and Family Services**

The Children and Family Services (CFS) team have had a busy year with funding being received for two new projects: Mindful Connections, our Veteran family support programme, and The Lighthouse project, a mental health and wellbeing support programme delivered within Queen Victoria School. This involved recruitment of new members of staff as well as mobilising two very different services.

Like any new service progress can often be slow at the start but good progress is now being made, particularly with The Lighthouse project with Mindful Connections showing signs of bedding in.

Our Your Mind Matters (YMM) has had a challenging year due to staff turnover however, successful recruitment later in the reporting year means that we are now more confident in recovering pace and are exploring a second location to deliver this service. The YMM digital project has been fully realised, with the new website and YMM hub having been completed in summer 22.

**In 2023/24 we will:**

- Continue to deliver 1-1 and group mental health and wellbeing interventions for Armed Forces Children and Young People
- Further develop our peer support models, community days, awareness raising sessions, teacher and parent training sessions
- Continue to develop further bespoke mental health and wellbeing content for our Your Minds Matter web platform

**Children and Young People Participation**

Over the course of the year, 118 participation sessions were delivered for children and young people, both online and in person. Our work has taken us to 20 locations in primary, secondary and community locations and we engaged with 180 children and young people who hadn't worked with us previously.

We have focused on adapting and developing our participation sessions to ensure that primary school aged children can meaningfully engage in our work, and this has led to an increased understanding of their experiences. We targeted 6 key locations to trial and perfect the new sessions.

We developed primary school resources to allow us to effectively deliver our participation work in primary school settings and these were very well received, both by pupils and teaching staff. The session plans are available for all staff and can be adapted if required to deliver either a one-off session or a series of sessions to develop key skills with pupils and develop primary school forums.

Alongside developing our primary school work, the participation team have been involved in the delivery of a number of projects:

- The Listen Up! project recruited nine young people to co-produce our campaign with a creative agency to raise awareness of the lived experience of young people transitioning to veteran status. The group attended a 7-day residential in July 2022 and were supported to connect, share their knowledge and grow their confidence. During the residential, the group developed a successful service delivery model for a buddy support service which, with the support of the Fundraising Manager, has since received funding.
- Two young people co-delivered an extremely well received workshop at the Children in Scotland Conference where they shared their experience of co-producing the Forces Life Board game and their lived experience of belonging to a forces family. We also delivered a further two Forces Life events in primary school locations engaging parents and pupils. Pupils at a further two high schools are planning their events to which they wish to invite decision makers.
- 'The Influencers' (a group of five young people involved in the co-production of our Influencing Strategy) have engaged extremely well in the residentials and online meetings and are keen to continue to work with us to monitor the effectiveness of the strategy once it has been launched.
- We delivered a successful residential in April for forum members, bringing together 19 young people from across Scotland. The group co-produced interactive workshops to be used in our L&D sessions.



**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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**Children and Young People Participation (continued)**

In addition to delivering on our operational plan the participation team has effectively supported the organisation to ensure children and young people's voices are heard across all our work, responding timeously and flexibly to requests for assistance. Wherever possible young people have been involved in the recruitment of new staff and they have reported that this has been a very positive experience for them.

**In 2023/24 we will:**

- Grow our participation work to represent the voices of more children and young people from Armed Forces families, including those who are seldom heard such as children under 5 and those with additional support needs
- Deliver the Ruby Boots pilot project to provide early intervention support to children and young people who are transitioning to veteran families
- Contribute to the evidence-base on forces children's experiences by undertaking our own annual report focused on children's views, becoming known as the go-to organisation for learning about forces children's views directly

**Learning and Development**

The development of the learning offer was delayed during the year due to staff turnover however, progress was made in creating important foundations for the new Learning and Development Worker to utilise. The Professional Learning Activity plan has been updated and added to the website and this will be further developed with an associated communications plan.

Our modular training programme has been enhanced with sufficient detail to allow us to undertake discussions about future accreditation. The accredited programme sits alongside smaller training programmes and we continued to target areas with high populations of forces children, encouraging take up of the accredited training.

The launch of the new website allowed increased visibility and digital support to families. In collaboration with the Children and Family Services team transition support blogs for young people and other materials for professionals were uploaded to our website.

Partnerships and introductory relationships with key stakeholders have increased during the year, particularly with those working in the Armed Forces community and the Ministry of Defence. Attendance at events like Firmbase and those held by the SCiP Alliance evidence the importance of our role in working with this sector and our unique role in representing the views and experiences of forces children in Scotland.

The Advisory Service new model was developed as well as a communications plan to support it. Historically the Advisory Service activity increased following in person training sessions so we committed to making the service available when the learning offer was fully rolled out.

**In 2023/24 we will:**

- Provide an evidence-based learning offer (online and in person) providing a go to place for understanding the views, experiences and needs of Armed Forces children
- Work to achieve CPD accreditation for the initial 7 learning modules
- Develop and implement the advisory service to offer advice, support and signposting across the sector. Establish the advisory service to be the go-to place for learning, resources and support for forces families to connect to services
- Deliver a full month of celebratory activities for Month of the Military Child

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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**Policy and Parliamentary**

Following the recruitment of a Deputy CEO and Policy Lead in August 2022 they were tasked with developing the organisation's policy goals in line with the Forces Children Scotland Strategic Plan. The creation of an Influencing Strategy was progressed with a co-production approach and saw the development of a project plan and project team that was tasked with developing our organisational influencing approach, including identifying influencing goals, tools and approaches.

Across 2022/23 we have provided evidence to several consultation requests, ensuring force children are considered across the design of various policy portfolios. This has included responses to:

- The Scottish Government's review of the Mental Health and Wellbeing Strategy
- The Independent Review of Education in Scotland, with a focus on qualifications and assessments

In each case, existing evidence from research and young people was used to shape up a compelling response and has led to positive engagement with relevant civil servant teams, including the mental health team who are keen to explore what they can do to better serve this population of children.

Relationship building with key stakeholders was also a primary focus. To ensure we are targeting the right people, a stakeholder mapping activity was undertaken and was completed alongside the influencing strategy project. This activity helped to identify both where the levers are for change which are related to our influencing goals, as well as who we should partner with to lead out our influencing, recognising the power of collective action.

Over the course of the year, some notable partnerships were developed. A stronger connection with the three Family Federations has identified a possible opportunity to collaborate around the influencing of MOD policy, as well as creating opportunity to reach more young people through the families they work with. We also enjoyed extremely positive engagement with the Scottish Veterans Commissioner.

We continue to represent FCS on military-related stakeholder groups like SAFESG (Scottish Armed Forces Education Support Group) and the SCiP Alliance (Service Children's Progression Alliance). In terms of wider policy activity in Scotland, we maintain a role within many stakeholder groups such as the Armed Forces and Veteran Cross Party Group, Together Scotland's UNCRC (United Nations Convention on the Rights of the Child) Implementation Strategy Group and 'Children whose rights are at risk of being breached' subgroup. Beyond this, we are continuing to develop positive relationships with key civil servant teams including the Learning Directorate, the Children's Rights Team, the Mental Health team and the Veterans Directorate. Importantly, following a successful meeting with the Children's Rights Team, we have been told that a case study of our Forces Life Board game will be included within new UNCRC guidance to public authorities, post incorporation.

Our focus on influencing MSPs has continued throughout the year, following a very successful parliamentary exhibition. Since then, we have engaged with MSPs to follow up on what they can do to support Forces children. These meetings focussed on education in Scotland with one meeting having as its focus a discussion with young people about their role as young carers within a Forces family.

**In 2023/24 we will:**

- Lead in working with and representing forces children's views, needs and experiences, through the delivery of our co-produced Influencing Strategy which outlines our influencing goals and the approach taken to achieve them
- Build influential and trusting relationships with parliamentarians and political staff from across the political spectrum, ensuring the work of the Government – reserved and devolved - is held to account by opposition and political parties are informed by the views, needs and experiences of forces children
- Lead on providing a reflective learning space on a quarterly basis through our Advisory group, for relevant stakeholders across various sectors, including health, education, military and children's rights, to help inform our influencing and influence their decision making around forces children's lives with a focus on mental health, education, transitions, children's rights and data collection
- Ensure professionals, families and forces children feel enabled to come to us for advice on issues relating to mental health, education, transitions, children's rights and broader children's policy, through our new Advisory Service which adopts both planned and reactive advice services

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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**Fundraising**

The Fundraising & Development Team has achieved the vast majority of its operational outcomes, despite the well-publicised challenges faced by the third sector with regard to significant drops in charitable giving, etc. We successfully managed our portfolio of secured funding (worth circa £275k) via effective reporting and successful variation negotiations.

Equally, the team has secured £228.5k through funding applications and £34k in individual/community fundraising, with additional pending applications submitted. We successfully worked in partnership with The Scottish Military Ball to surpass our £5k fundraising target and have successfully established a new corporate fundraising relationship with Blackrock UK. The team also maintained its bank of regular donors and has enhanced its fundraising proposition via the charity's new website and has launched a series of digital campaigns to increase income.

We successfully secured £20k from the Veterans Foundation and £3.5k from The D'Oyly Carte Charitable Trust, to cover core salary costs. We also obtained £100k project funding (for Ruby Boots) from the Armed Forces Covenant Fund Trust and £103,472 (Future Transactions) from the Scottish Veterans Fund, for our financial education and support project, which started in April 2023. In addition, we received £1k from the Tesco Community Fund for our Young Carers fund. We did, however, have a number of unsuccessful applications demonstrating the challenging fundraising environment that we operate in.

**In 2023/24 we will:**

- Achieve a minimum of four successful unrestricted funding bids. (£176,600k)
- Secure a minimum of £134,397 in new restricted funding.
- Manage secured funding (circa £266,500) & ensure reporting requirements are fulfilled to maintain relationships.

**Marketing and Communication**

Following a successful tender process, Forces Children Scotland appointed Parkhouse Agency to co-produce a new website with children and young people, staff, and strategic supporters, which formally launched in August 2022. Summary analytic data (01 April 22 – 31 March 2023) provided the team with indicative evidence to deliver a range of further adjustments, enhancements and new conversion metrics. We were pleased to have attracted 9.1K new visitors to our website which can be attributed to enhancing our communication channels, public engagement activities and much more this year. Moreover, the data supports our need to deliver a website fit for mobile use, given the majority of users/visits generated from that particular device. We have lowered our general bounce rate (non-engaged sessions which equate to less than 10 seconds, one page views, etc) from 57% (April 22 – January 23) to 45% (March 23). Bounce rate is something we monitor regularly as it tends to prove crucial toward achieving wider outcomes (A non-e-commerce website standard bounce rate is in the region of 35%-60%).

We published circa 60-65 website articles during the year which included twelve beneficiary stories and spanned across all of our services. These stories have proved crucial to communicating the impact of our work across social/professional networks and enhancing publications. In addition, we have delivered a series of publications, including updated promotional leaflets and posters, as well as our 2022-25 Strategy and Impact Report, which are available in digital and offline formats. We continue to deliver sponsored promotion campaigns in support of the charity's projects, services, and campaigns. We also continued to expand our communication methods and this year launched a Forces Children Scotland TikTok channel.

We have developed a portfolio of iconography, infographics, and additional digital assets for our website, publications, and social channels which have proved successful in conveying short, colourful, vibrant communications to strategic audiences. Early sponsored promotions have proved encouraging. In addition, the team continues to work with colleagues across the charity to co-produce leaflets, posters and campaign assets directly with young people, via digital engagement and attendance at residential.



**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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**Marketing and Communication (continued)**

We delivered a series of activities at the Children in Scotland Conference in November 2022 as an Affiliate Sponsor, including the delivery of an exhibition stall and workshop for delegates which focused on promoting our Forces Life board game and comic book. Our activities generated a range of leads with regard to future partnerships with organisations, including Argyll & Bute Council, Elgin Academy LGBT Scotland, Girl Guides, Home Start, and National Galleries Scotland.

We delivered a successful Scottish Parliamentary Exhibition in July 2022, which attracted over 50 pledges of support from MSPs to ensure the voice of children and young people is heard in future policymaking. Furthermore, we received considerable support from MSPs on social media during the exhibition, which generated over 36.6K impressions, 122 mentions, 5,868 profile visits, and 60 new followers. In addition, the exhibition has generated several follow-up pieces, which included the submission of parliamentary questions on our behalf and a group of young carers met with an MSP to share their lived experiences.

**In 2023/24 we will:**

- Enhance data insight capability to lead decision-making within the department and team
- Increase levels of traffic, engagement, and conversions generated on our website relating to projects, services and campaigns
- Deliver a new monthly e-newsletter to stakeholders
- Provide opportunities for young people to co-produce marketing/communications propositions, supporting a group of young people to generate user led content through attendance at a media/comms residential.

**Business Support**

Progress in all areas of the Business Support function objectives have been made during the year, most notably the closure of our office in Hill Street and the move to a fully homeworking model. Staff have also been enjoying post covid freedom to meet up in person and collaborate more on a regular basis. The move has been supported by the further development of our organisational handbook and close working with external agencies in GDPR and Human Resources, and the introduction of an Employee Assistance Programme.

The team moved officially to Homeworking contracts at the end of March 2022 with the full closure of the Hill Street Office on 20 September 2022. We have membership at The Melting Pot in Edinburgh which provides us with a postal address and a coworking space available to all employees who wish to utilise it. This transition went very smoothly and the team is enjoying the flexibility that this brings along with regular opportunities to come face to face for collaborative working.

During the year we have supported the recruitment of 12 Joiners and 7 Leavers, which included adding additional capacity to the business support team to reflect an increase in employees. We have also developed a portfolio of supporting documents and policies to ensure consistency across our recruitment process, giving all staff the same experience across their employment journey.

A training programme for staff alongside monthly team meetings covering both essential learning Child Protection, Data Protection etc and useful general training around coproduction, trauma informed practice etc. has been developed.

Following a review of the recruitment process we have started to implement a safer recruitment policy with a focus on safeguarding. This will include a dedicated recruitment landing page on our website and updated process to be documented in the organisational handbook.

We fully updated the organisational handbook with support of external HR and GDPR consultants. This will now inform the development of a Trustee Handbook.

As a recommendation from our HR consultants, we have set up an Employee Assistance Programme with Health Assured, this offers support to staff and their families who are struggling with their Mental Health and Wellbeing through online/phone and face to face counselling sessions. It also provides staff with health and lifestyle support through podcast blogs and online apps.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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**Business Support (continued)**

We introduced Lamplight, a case recording system to record client information safely and effectively. There is still on-going work to upload historical data and refine the system to ensure it is fit for purpose to support data collection and outcomes. This represents a huge step forward in the way we collect and store sensitive information and the safeguarding of CYP.

**In 2023/24 we will:**

- Develop a new organisational outcomes framework
- Develop new policies on the environment, reserves, volunteers and Equality and Diversity
- Develop a new online recruitment process, improving safeguarding as a result

**Future Plans**

As per our 22-25 Strategic Plan, our future aims are:

- We will establish a lead role in the sector, connecting policy and practice, encouraging third sector partnerships and facilitating sector improvements.
- We will work in collaboration with policy makers and partners to ensure Armed Forces children and young people are considered, included and identified as a distinct group in policies that support improved outcomes.
- We will work with partners across organisational boundaries to facilitate change across the system, including between adult and children's sectors.
- We will help shape the future policy landscape in relation to children and young people from serving, reservist and veteran families, improving the visibility and influence of our children, young people and families.
- We will work with partners at strategic and operational levels across health, education, social care and the voluntary sector to develop ways of working and resources to improve transitions for families moving into and out of Scotland.
- We will develop a media campaign to raise awareness of the needs of children and young people from serving, reservist and veteran families.
- We will increase our visibility in Armed Forces communities so that families know who we are and what support we provide.
- We will extend our reach to support organisations working with serving, reservist and veteran adults to better understand the needs of children and young people, including mental health, trauma and adversity.
- We will build partnerships to achieve improved collective impact across the sector.
- We will build our capacity to measure outcomes and impact across all our work, contributing to the evidence base to influence change, with due regard to the Armed Forces Covenant and the United Nations Convention on the Rights of the Child (UNCRC).
- We will provide a platform for Armed Forces children and young people to engage directly with decision-makers at all levels to positively shape policy, practice and service delivery.



**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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**Governance**

The Board of Trustees meets four times a year. They are responsible for overall strategy, financial and risk management. There are currently 9 Trustees. The officers are the Chairperson, Deputy Chairperson, and Treasurer.

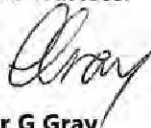
In April 2022, Lieutenant General Sir Alistair Irwin, Lieutenant Colonel Andy Middlemiss and Lieutenant Colonel Hugh Cowan stepped down as Vice Presidents of the Charity. The Directors would like to place on record their gratitude for the sterling support and wise counsel that they provided to the charity over a significant number of years. In December 2022 our Chairman, Malcolm Noble, stepped down after holding the position for over 10 years. Again, Forces Children Scotland is indebted to the drive, commitment and support that Malcolm has provided to the charity.

**Financial review**

The financial climate both locally and globally has continued to be challenging and we have not been immune from the impact of negative financial headwinds. Continued high inflation has impacted the charity both in terms of increasing costs and reducing available funding. Inflationary and other external pressures have also impacted the value of our investments in the current year.

We are, however, in the fortunate position where we have been able to mitigate these negative impacts through the income from our investments both in terms of dividend and interest income and through the disposal of investments allowing us to realise capital returns. The Trustees are conscious that we do not wish to erode the value of our investments such that the longer-term impact on the charity would be adverse. Consequently, Trustees are developing a financial framework that seeks to maintain the real value of our investments and grow our unrestricted funds whilst still providing sufficient funding for the charity to realise its wider strategic goals. We remain confident that our investments remain well managed by our professional advisors and that the proposed financial framework will secure the long-term financial standing of the charity.

The committee of directors and sole trustees' report was approved by the Board of Committee Of Directors And Sole Trustees.



**Mr G Gray**

Co-Chair

Dated: 13 September 2023

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**STATEMENT OF COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' RESPONSIBILITIES**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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The committee of directors and sole trustees are responsible for preparing the Committee Of Directors And Sole Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the committee of directors and sole trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that year.

In preparing these accounts, the committee of directors and sole trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The committee of directors and sole trustees is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**INDEPENDENT AUDITOR'S REPORT**

**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST**

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**Opinion**

We have audited the financial statements of The Royal Caledonian Education Trust (the 'trust') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the committee of directors and sole trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the committee of directors and sole trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The committee of directors and sole trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the committee of directors and sole trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of committee of directors and sole trustees**

As explained more fully in the statement of committee of directors and sole trustees' responsibilities, the committee of directors and sole trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the committee of directors and sole trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee of directors and sole trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of directors and sole trustees either intend to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.



**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST**

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**The extent to which the audit was considered capable of detecting irregularities including fraud**

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
  - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment law.

**Audit response to risks identified**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL  
CALEDONIAN EDUCATION TRUST**

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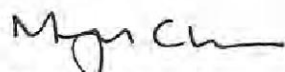
**Other matters**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

**Use of our report**

This report is made solely to the and to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, the charity's trustees as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Myers Clark**

16 November 2023

**Chartered Accountants**  
**Statutory Auditor**

Egale 1  
80 St Albans Road  
Watford  
Hertfordshire  
WD17 1DL

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
<b><u>Income and endowments from:</u></b>						
Donations and legacies	2	23,087	258,658	-	281,745	288,805
Investments	3	255	-	122,532	122,787	126,506
Other income	4	450,000	2,213	(450,000)	2,213	73,940
<b>Total income</b>		<b>473,342</b>	<b>260,871</b>	<b>(327,468)</b>	<b>406,745</b>	<b>489,251</b>
<b><u>Expenditure on:</u></b>						
Raising funds	5	119,512	23,237	-	142,749	122,692
Charitable activities	6	411,468	278,408	-	689,876	573,326
<b>Total resources expended</b>		<b>530,980</b>	<b>301,645</b>	<b>-</b>	<b>832,625</b>	<b>696,018</b>
Net gain/(loss) on investments	12	5,414	-	(274,455)	(269,041)	341,553
<b>Net movement in funds</b>		<b>(52,224)</b>	<b>(40,774)</b>	<b>(601,923)</b>	<b>(694,921)</b>	<b>134,786</b>
Fund balances at 1 April 2022		5,651	191,030	4,387,440	4,584,121	4,449,335
<b>Fund balances at 31 March 2023</b>		<b>(46,573)</b>	<b>150,256</b>	<b>3,785,517</b>	<b>3,889,200</b>	<b>4,584,121</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**Prior Year Comparative Detail**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Endowment funds</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>Income and endowments from:</u></b>				
Donations and legacies	56,160	232,645	-	288,805
Investments	116	-	126,390	126,506
Other income	235,917	21,023	(183,000)	73,940
<b>Total income</b>	<b>292,193</b>	<b>253,668</b>	<b>(56,610)</b>	<b>489,251</b>
<b><u>Expenditure on:</u></b>				
Raising funds	122,692	-	-	122,692
Charitable activities	363,351	209,975	-	573,326
<b>Total resources expended</b>	<b>486,043</b>	<b>209,975</b>	<b>-</b>	<b>696,018</b>
Net gain/(loss) on investments	(68)	-	341,621	341,553
Transfer between funds	313,236	-	(313,236)	-
<b>Net movement in funds</b>	<b>119,318</b>	<b>43,693</b>	<b>(28,225)</b>	<b>134,786</b>
Fund balances at 1 April 2021	(113,667)	147,337	4,415,665	4,449,335
<b>Fund balances at 31 March 2022</b>	<b>5,651</b>	<b>191,030</b>	<b>4,387,440</b>	<b>4,584,121</b>

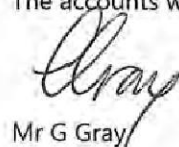


**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**BALANCE SHEET**

**AS AT 31 MARCH 2023**

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Investments	14		3,872,005		4,614,126
<b>Current assets</b>					
Debtors	15	9,734		8,115	
Cash at bank and in hand		93,263		79,398	
		<u>102,997</u>		<u>87,513</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(85,802)</u>		<u>(117,518)</u>	
Net current assets/(liabilities)			17,195		(30,005)
<b>Total assets less current liabilities</b>			<u>3,889,200</u>		<u>4,584,121</u>
<b>Capital funds</b>					
<b>Endowment funds</b>					
Endowment funds - general	17		3,785,517		4,387,440
<b>Income funds</b>					
Restricted funds	18		150,256		191,030
Unrestricted funds			(46,573)		5,651
			<u>3,889,200</u>		<u>4,584,121</u>

The accounts were approved by the Committee Of Directors And Sole Trustees on 13 September 2023



Mr G Gray  
**Co-Chair**

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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**1 Accounting policies**

**1.1 Accounting convention**

The accounts have been prepared in accordance with the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved applying 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019' rather than the version of the Statement of Recommended Practice referred to in the regulation but has since been withdrawn.

The trust constitutes a Public Benefit Entity.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The Trust comprises a public benefit entity as defined by FRS 102.

**1.2 Going concern**

At the time of approving the financial statements, the committee of directors and sole trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the committee of directors and sole trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Charitable funds**

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Designated funds are unrestricted funds earmarked by the Directors for particular applications.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Permanent endowment funds are funds which have been given to the charity to be held as capital with no power to convert the funds to income.

Expendable endowment funds are funds given to the charity to be held as capital. The Trustees may convert the funds to income if no other income funds are available.

**1.4 Incoming resources**

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that income will be received and the amount can be measured and is not deferred.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**1 Accounting policies**

**(Continued)**

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

**1.5 Resources expended**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the trust.

**Allocation of costs**

Expenditure is allocated to a particular activity where the costs relate directly to that activity. Direct expenditure has been allocated on the basis indicated below:

Cost of generating funds: These include all expenditure spent in generating the voluntary income.

Charitable activities: These include all expenditure directly related to the objects of the charity.

Support costs comprise costs incurred in support of the above activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spend on each activity during the financial period.

**Irrecoverable value added tax**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**Grants**

Grants payable made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity.

**Pension contributions**

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the period they are payable.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. All items of capital expenditure over £500 are capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	over 5 years
Computers	over 4 years

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**1 Accounting policies**

**(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

**1.7 Fixed asset investments**

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid-market value.

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial instruments**

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

**1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**2 Donations and legacies**

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Donations and gifts	23,087	258,658	281,745	288,805
<b>For the year ended 31 March 2022</b>	56,160	232,645		288,805

**3 Investments**

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income from listed investments	-	122,532	122,532	-	126,390	126,390
Interest receivable	255	-	255	116	-	116
	255	122,532	122,787	116	126,390	126,506



**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**4 Other income**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Released from endowment funds	450,000	-	(450,000)	-	-	(183,000)	-
Fees	-	2,213	-	2,213	21,023	-	73,940
	<u>450,000</u>	<u>2,213</u>	<u>(450,000)</u>	<u>2,213</u>	<u>21,023</u>	<u>(183,000)</u>	<u>73,940</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**5 Raising funds**

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Costs of generating voluntary income				
Direct costs	69,852	-	69,852	69,049
Support & governance costs	26,582	23,237	49,819	28,129
	<u>96,434</u>	<u>23,237</u>	<u>119,671</u>	<u>97,178</u>
Costs of generating voluntary income	96,434	23,237	119,671	97,178
<u>Costs of generating investment income</u>				
Investment management fees	23,078	-	23,078	25,514
	<u>23,078</u>	<u>-</u>	<u>23,078</u>	<u>25,514</u>
	<u>119,512</u>	<u>23,237</u>	<u>142,749</u>	<u>122,692</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
**OPERATIONAL NAME: FORCES CHILDREN SCOTLAND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

**6 Charitable activities**

	Family Support	Learning & Development	Participation	National Transition	Mental Health & Wellbeing	Total 2023	Total 2022
	£	£	£	£	£	£	£
Direct costs	128,090	25,988	171,214	761	142,969	469,022	335,545
Grant funding of activities (see note 7)	91,993	-	-	-	-	91,993	80,019
Share of support & governance costs (see note 8)	63,829	7,399	29,202	240	28,191	128,861	157,762
	<u>283,912</u>	<u>33,387</u>	<u>200,416</u>	<u>1,001</u>	<u>171,160</u>	<u>689,876</u>	<u>573,326</u>

	Family Support	Learning & Development	Participation	National Transition	Mental Health & Wellbeing	Total 2022
	£	£	£	£	£	£
Direct costs	59,962	30,095	96,341	69,377	79,770	335,545
Grant funding of activities (see note 7)	80,019	-	-	-	-	80,019
Share of support & governance costs (see note 8)	56,332	11,731	33,498	29,515	26,686	157,762
	<u>196,313</u>	<u>41,826</u>	<u>129,839</u>	<u>98,892</u>	<u>106,456</u>	<u>573,326</u>



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**FOR THE YEAR ENDED 31 MARCH 2023**

**7 Grants payable**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Grants to individuals	91,993	80,019
	<u>91,993</u>	<u>80,019</u>

**8 Support & governance costs**

	<b>2023</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
SUPPORT COSTS		
Staff costs	130,715	105,366
Recruitment and staff development	4,836	6,171
Premises expenses	8,240	24,483
PR, marketing and Annual Review	1,640	13,835
Printing, stationery, postage and phone	1,518	2,189
Travelling	3,710	1,413
Other	8,546	4,437
Accountancy	3,888	4,626
Computer & office equipment costs	6,402	5,523
GOVERNANCE COSTS	9,185	17,848
	<u>178,680</u>	<u>185,891</u>
Analysed between		
Fundraising	49,819	28,129
Charitable activities	128,861	157,762
	<u>178,680</u>	<u>185,891</u>

Governance costs includes payments to the auditors of £9,000 (2021 - £8,820) for audit fees.

**9 Committee Of Directors And Sole Trustees**

*Trustee remuneration and expenses*

None of the committee of directors and sole trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

3 Trustees (2021: 1) were reimbursed travel and venue hire expenses totalling £405 (2021: £15).

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**10 Employees**

**Number of employees**

The average monthly number of employees (head count based on number of staff employed) during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Raising funds	2	2
Charitable activities	8	7
Support and Governance	3	2
	<u>13</u>	<u>11</u>

**Employment costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	372,273	324,216
Social security costs	33,342	26,376
Other pension costs	13,652	12,838
	<u>419,267</u>	<u>363,430</u>

There was one employee (2022 - 1) whose annual emoluments were £60,000 or more. One full time employee was on secondment in 2022 in furtherance of the education programme.

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
£60,001 to £70,000	-	1
£70,001 to £80,000	1	-
	<u>1</u>	<u>-</u>

**11 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**12 Net gains/(losses) on investments**

	<b>Unrestricted funds</b>	<b>Endowment funds general</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Revaluation of investments	5,414	(274,455)	(269,041)	341,553
	<u>5,414</u>	<u>(274,455)</u>	<u>(269,041)</u>	<u>341,553</u>
<b>For the year ended 31 March 2022</b>	<u>(68)</u>	<u>341,621</u>		<u>341,553</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST**  
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**FOR THE YEAR ENDED 31 MARCH 2023**

**13 Tangible fixed assets**

	<b>Fixtures and fittings</b>	<b>Computers</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2022	869	2,976	3,845
At 31 March 2023	869	2,976	3,845
<b>Depreciation and impairment</b>			
At 1 April 2022	869	2,976	3,845
At 31 March 2023	869	2,976	3,845
<b>Carrying amount</b>			
At 31 March 2023	-	-	-
At 31 March 2022	-	-	-

**14 Fixed asset investments**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>		
At 31 March 2022	4,614,126	4,414,791
Withdrawn	(473,080)	(142,218)
Valuation changes	(269,041)	341,553
At 31 March 2023	3,872,005	4,614,126
<b>Impairment</b>		
At 31 March 2022	-	-
At 31 March 2023	-	-
<b>Carrying amount</b>		
At 31 March 2023	3,872,005	4,614,126
At 31 March 2022	4,614,126	4,414,791
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Investments at fair value comprise:		
Investment assets held in the UK	2,542,474	3,295,884
Investment assets held outside the UK	1,329,531	1,318,242
	3,872,005	4,614,126

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**14 Fixed asset investments**

(Continued)

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Investments representing over 5% by value of portfolio comprise:		
JPMorgan Fund ICVC JPM US Equity Income C Net Dis	224,974	235,654
FP WHEB Asset Management Funds Sustainability Fund B Acc (less than 5% this year)	-	290,457
Aberdeen Asian Income Fund Shares	235,898	253,786
Natixis Investment Funds UK ICVC Loomis Sayles US Eqty Leaders IA USD Acc (less than 5% in 2022)	194,766	-
	<u>655,638</u>	<u>779,897</u>

**Fixed asset investments revalued**

Fixed asset investment are valued at market value at the year end.

The historical cost of the fixed asset investments is £2,958,588 (2022: £3,179,602).

Fixed asset investments include cash held awaiting investment of £270,831 (2022: £150,150).

**15 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	<u>9,734</u>	<u>8,115</u>

**16 Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	(381)	10,234
Accruals and deferred income	<u>86,183</u>	<u>107,284</u>
	<u>85,802</u>	<u>117,518</u>

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**FOR THE YEAR ENDED 31 MARCH 2023**

**17 Endowment funds**

Endowment funds represent assets which must be held permanently by the trust. Income arising on the endowment funds can be used in accordance with the objects of the trust and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 April 2022	Incoming resources	Movement in funds		Release from unapplied total return fund / Transfers	Balance at 31 March 2023
	£	£	Resources expended	Revaluations gains and losses	£	£
<b>Permanent endowments</b>						
Sale of the school	4,387,440	122,532	-	(274,455)	(450,000)	3,785,517
	<u>4,387,440</u>	<u>122,532</u>	<u>-</u>	<u>(274,455)</u>	<u>(450,000)</u>	<u>3,785,517</u>

	Balance at 1 April 2021	Incoming resources	Movement in funds prior period		Release from unapplied total return fund / Transfers	Balance at 31 March 2022
	£	£	Resources expended	Revaluations gains and losses	£	£
<b>Permanent endowments</b>						
Sale of the school	4,124,922	126,390	-	319,128	(183,000)	4,387,440
<b>Expendable endowments</b>						
Legacy	290,743	-	-	22,493	(313,236)	-
	<u>4,415,665</u>	<u>126,390</u>	<u>-</u>	<u>341,621</u>	<u>(496,236)</u>	<u>4,387,440</u>

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**FOR THE YEAR ENDED 31 MARCH 2023**

**18 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	<b>Movement in funds current year</b>			
	<b>Balance at 1 April 2022</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Balance at 31 March 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
ABF The Soldiers Charity	24,973	26,000	(40,604)	10,369
Queen Victoria Sch QVS - Lighthouse	-	1,000	(1,000)	-
Scottish Children's Lottery	2,171	-	-	2,171
Paul Hamlyn	6,448	30,000	(36,448)	-
Board Game	(967)	-	-	(967)
The Veterans Foundation Grant	-	20,000	(20,000)	-
The D Oyle Carte	-	3,500	(3,500)	-
Veterans Scotland	-	62,416	(36,419)	25,997
Ground Work	1,000	1,000	(2,000)	-
Brit + FGN	5,977	16,037	(9,335)	12,679
Armed Forces Covenant Fund Trust Funding - YMM	109,381	72,720	(107,094)	75,007
Armed Forces Covenant	42,047	28,198	(45,245)	25,000
	<u>191,030</u>	<u>260,871</u>	<u>(301,645)</u>	<u>150,256</u>

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**FOR THE YEAR ENDED 31 MARCH 2023**

**18 Restricted funds**

**(Continued)**

	Movement in funds prior period			Balance at 31 March 2022
	Balance at 1 August 2021	Incoming resources	Resources expended	
	£	£	£	£
ABF The Soldiers Charity	24,973	-	-	24,973
Cash For Kids	1,820	-	(1,820)	-
Scottish Children's Lottery	2,171	-	-	2,171
Persimmon Homes	-	1,000	(1,000)	-
Awards For All	5,736	-	(5,736)	-
Paul Hamlyn	30,000	-	(23,552)	6,448
Board Game	18,696	-	(19,663)	(967)
The Veterans Foundation Grant	7,500	-	(7,500)	-
Veterans Scotland	5,960	14,798	(20,758)	-
Ciene & Tait (Tillyloss)	1,002	-	(1,002)	-
Ground Work	1,000	-	-	1,000
Brit + FGN	6,624	15,000	(15,647)	5,977
The National Lottery Community Fund - Young Start	-	20,400	(20,400)	-
Armed Forces Covenant Fund Trust Funding - YMM	41,855	160,423	(92,897)	109,381
Armed Forces Covenant	-	42,047	-	42,047
	<u>147,337</u>	<u>253,668</u>	<u>(209,975)</u>	<u>191,030</u>



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**FOR THE YEAR ENDED 31 MARCH 2023**

**19 Unrestricted funds**

	Balance at 1 April 2022	Movement in funds current year				Balance at 31 March 2023
		Incoming resources	Resources expended	Revaluations, gains and losses	Released from unapplied total return fund / Transfers	
	£	£	£	£	£	£
<b>General Unrestricted Funds</b>	5,651	23,342	(530,980)	5,414	450,000	(46,573)
<b>Total unrestricted funds</b>	<u>5,651</u>	<u>23,342</u>	<u>(530,980)</u>	<u>5,414</u>	<u>450,000</u>	<u>(46,573)</u>

	Balance at 1 April 2021	Movement in funds prior year				Balance at 31 March 2022
		Incoming resources	Resources expended	Revaluations, gains and losses	Released from unapplied total return fund / Transfers	
	£	£	£	£	£	£
<b>General Unrestricted Funds</b>	(113,667)	109,193	(486,043)	(68)	496,236	5,651
<b>Total unrestricted funds</b>	<u>(113,667)</u>	<u>109,193</u>	<u>(486,043)</u>	<u>(68)</u>	<u>496,236</u>	<u>5,651</u>



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**FOR THE YEAR ENDED 31 MARCH 2023**

**20 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2023 are represented by:				
Investments	86,488	-	3,785,517	3,872,005
Current assets/(liabilities)	(133,061)	150,256	-	17,195
	<u>(46,573)</u>	<u>150,256</u>	<u>3,785,517</u>	<u>3,889,200</u>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2022 are represented by:				
Investments	226,686	-	4,387,440	4,614,126
Current assets/(liabilities)	(221,035)	191,030	-	(30,005)
	<u>5,651</u>	<u>191,030</u>	<u>4,387,440</u>	<u>4,584,121</u>

**21 Permanent Endowment**

	Endowment Fund £	Unapplied Total Return £	Total Endowment Fund £
<b>At 1 April 2022</b>			
Sale of school	2,600,000	-	2,600,000
Unapplied total return	-	1,787,440	1,787,440
<b>Total</b>	<u>2,600,000</u>	<u>1,787,440</u>	<u>4,387,440</u>
<b>Movements to 31 March 2023</b>			
Investment return - dividends	-	122,532	122,532
Investment return - realised & unrealised gains	-	(274,455)	274,455
	-	(151,923)	151,923
Unapplied total return allocated to income in the year	-	(450,000)	(450,000)
<b>Net movements in the year</b>	<u>-</u>	<u>(601,923)</u>	<u>601,923</u>
<b>At 31 March 2023</b>			
Sale of school	2,600,000	-	2,600,000
Unapplied total return	-	1,185,517	1,185,517
<b>Total</b>	<u>2,600,000</u>	<u>1,185,517</u>	<u>3,785,517</u>

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**FOR THE YEAR ENDED 31 MARCH 2023**

**22 Operating lease commitments**

At the reporting end date the trust had no outstanding commitments for future minimum lease payments under non-cancellable operating leases for the rental of office space:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within one year	–	10,402
	<u>          </u>	<u>          </u>

**23 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel, including redundancy payments, employers NI and employers pension contributions is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	73,557	69,676
	<u>          </u>	<u>          </u>

**Transactions with related parties**

During the year, 3 trustees (2022: none) were reimbursed for travel and subsistence costs totalling £494 (2022: £nil),